January 6, 1987
JCX-1-87

COMMITTEE ON WAYS AND MEANS MARKUP OF HIGHWAY TRUST FUND EXTENSION

Present Law

Highway Trust Fund and Highway-Related Excise Taxes

Excise taxes are imposed on gasoline and diesel and other motor fuels, trucks and truck trailers, heavy tires, and heavy highway vehicles. Revenues from these highway-related excise taxes are deposited in the Highway Trust Fund (HTF). Revenues equivalent to one cent per gallon from the taxes on highway motor fuels go into the Mass Transit Account in the HTF. The other highway excise tax revenues go into the Highway Account.

The HTF taxes are currently scheduled to expire after September 30, 1988 (see Table below).

Tax	Tax rate
Motor fuels:	
Gasoline and special motor fuels	9 cents per gallon
Diesel fuel	15 cents per gallon
Trucks and trailers:	
Trucks (over 33,000 lbs.) and trailers (over 26,000 lbs.)	12 percent of retail price
Tires for highway vehicles:	40 lbs. or less--no tax 40-70 lbs.--15 cents/lb. over 40 lbs. 70-90 lbs.--$4.50, plus 30 cents/lb. over 70 lbs. Over 90 lbs.--$10.50, plus 50 cents/lb. over 90 lbs.
Use tax on heavy highway vehicles:	Under 55,000 lbs.--no tax 55,000-75,000 lbs. --$100, plus $22/1,000 lbs. over 55,000 Over 75,000 lbs.--$550

J862-3
H782-3

H.R. 3129 (99th Congress)

H.R. 3129 ("Surface Transportation and Uniform Relocation Assistance Act of 1986," 99th Congress) as passed by the House would have provided a five-year extension of the current highway excise taxes (through September 30, 1993) and a five-year reauthorization for Highway Trust Fund expenditure programs (for fiscal years 1987-1991). The Senate amendment to H.R. 3129 would have provided a four-year extension of the taxes and trust fund authorizations.

The Conference Committee on H.R. 3129 tentatively agreed to a five-year extension of trust fund authorizations, but it did not resolve all the issues in conference before the 99th Congress adjourned. The conferees on the revenue title of that bill did not meet due to the unresolved non-tax issues.

Possible Option

(1) Extend present law Highway Trust Fund excise taxes, and authority to spend from the Trust Fund, for five years (through September 30, 1993), as in H.R. 3129.

(2) Update HTF statute to reflect 1987 authorizations, including highway beautification and university transportation research centers, as trust fund expenditure purposes (as in H.R. 3129).

The Committee HTF extension provisions are to be embodied as a separate revenue title to H.R. 2, the Public Works and Transportation Committee authorization bill. It is expected that the Rules Committee will provide a rule that treats the revenue title as original text to the bill. The Rules Committee is meeting on Wednesday, January 7, 1987, to consider this legislation. House floor consideration of H.R. 2 is anticipated on Thursday, January 8, 1987, pending the granting of a rule.